

**Evaluating Alternative Funding Sources for the
Federal Way Fire Department**

FIRE SERVICE FINANCIAL MANAGEMENT

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ABSTRACT

The Federal Way Fire Department is a fire district located within the State of Washington. The department covers approximately thirty-six square miles of territory with six fire stations staffed by a fully paid department. The population protected by the department is over one hundred thousand citizens, mostly comprised of middle class residents who work in the cities of Seattle to the north or Tacoma to the South. There is very little industry within the Federal Way area, as most of the community is residential. New construction is on the increase, however, with many new hotels, strip malls, and senior housing apartment complexes being built. All of these will bring added demands to the fire department in terms of providing emergency responses. The balancing act is in trying to meet the needs of the community with a funding base that is antiquated at best.

The Federal Way Fire Department is what is known as a Junior Taxing District in the State of Washington. This means that the department is limited in the methods that it can fund itself through laws that were written in the 1930's. The main source of revenue for the department is property taxes, which are further limited in the State through a cap on the amount of taxes that can be collected in any one year. This cap, known as the 106% Lid Law, has created a situation where the department is having a harder time in meeting the needs of the growing community due to limited funding growth.

The purpose of this research paper was to evaluate alternative funding sources for the Federal Way Fire Department. The study used was an evaluative methodology, and the questions that needed to be answered to assist in the process were:

- 1) What traditional funding sources are available to a fire district in the State of Washington?
- 2) What traditional funding sources are available to a municipal fire department, as a means of comparison, in the State of Washington?
- 3) What alternative funding sources are available to a fire district in the State of Washington?

This project was initiated by conducting research at the National Fire Academy in the Learning Resource Center. Research was also conducted utilizing the Pierce County (WA) Library System, the King County (WA) Library System, the Revised Code of Washington State Laws (R.C.W.'s), as well as the Federal Way Fire Department training library. The Internet was also utilized through several search engines, such as "Yahoo" and the "Web Crawler". A survey was developed and sent to area fire districts to ascertain what alternative funding methods that are currently in place elsewhere. Each department was also queried as to future plans with regards to funding sources that they may be considering.

After the research was completed, this author presented the information gathered to the department's Administrative Team for their review. The result of this review is still ongoing, as the department is developing a Strategic Plan which will include the development of alternative funding models for the future. It is anticipated by this author that some of the alternative funding sources identified in this research paper will be analyzed, and potentially utilized, by the department as we head towards the new millennium.

TABLE OF CONTENTS

| | |
|---|----|
| Abstract..... | 2 |
| Table of Contents..... | 4 |
| Introduction..... | 5 |
| Background and Significance..... | 7 |
| Literature Review..... | 10 |
| Procedures..... | 27 |
| Results..... | 30 |
| Discussion..... | 34 |
| Recommendations..... | 36 |
| Reference List..... | 41 |
| Appendix A (Survey Cover Letter)..... | 42 |
| Appendix B (Survey)..... | 43 |
| Appendix C (Survey Results)..... | 44 |
| Appendix D (1998 Projected Revenues of Federal Way Fire Department)... | 46 |
| Appendix E (1998 Budget Allocation for Federal Way Fire Department).... | 47 |

INTRODUCTION

The Federal Way Fire Department protects the over one hundred thousand (100,000) citizens who live and work within a thirty-six (36) square mile community located between the city of Seattle to the north, and the City of Tacoma to the south. The department also provides protection to the City of Federal Way, which comprises approximately sixty percent (60%) of the land area covered by the fire department. Although the department provides protection to the city of Federal Way, it is not a municipal fire department. The Federal Way Fire Department is actually a fire district.

The department employs one hundred nineteen (119) firefighters and civilian employees who staff six (6) actively responding fire stations, as well as a training facility. The responding crews typically handle in excess of eight thousand (8,000) combined emergency and non-emergency responses annually. Over seventy percent (70%) of the responses annually are for emergency medical aid. The balance of the responses are for structure fires, brush fires, car fires, and other responses which are non-emergency in nature.

Typical staffing at the responding stations consists of a minimum of three (3) firefighters at three (3) of the stations, and two (2) firefighters at the other three (3) stations. This staffing level has been unacceptable to the firefighter's Union, Local #2024 of the International Association of Firefighters (I.A.F.F.), for many years. The I.A.F.F. has long held that minimum staffing levels should be established at three (3) for every firefighting company, and they actually prefer four (4) to increase efficiency and safety. However, due to the limited taxing authority of a fire district in the State of Washington, there has been very slow progress towards rectifying the situation.

The goal to increase the number of firefighters employed by the Federal Way Fire Department has been slowed due to the problem of limited funding . Fire districts in the State are limited by the 106% Lid Law as applied to property taxes. Property taxes make up the majority of the department's revenues, and these are limited from one year to the next by the Lid Law. The law caps increases in revenues collected through property taxes to 6% over that which was collected the prior year. This alone has slowed down any major increases in revenue for the department, and thus has limited the ability to hire additional staffing.

The purpose of this research paper was to evaluate alternative funding methods available to a fire district in the State of Washington. It was hoped that new methods could be identified which could potentially be utilized to increase the department's revenues. New or increased revenues could then mean new firefighters.

The evaluative methodology was utilized to research alternative funding sources available to fire districts in Washington. The questions that needed to be answered in the process were:

- 1) What traditional funding sources are available to a fire district in the State of Washington?
- 2) What traditional funding sources are available to a municipal fire department, as a means of comparison, in the State of Washington?
- 3) What alternative funding sources are available to a fire district in the State of Washington?

BACKGROUND AND SIGNIFICANCE

The Federal Way Fire Department operates on an annual budget of nearly ten million dollars (\$10,000,000). This money is used to staff six (6) responding fire stations with six (6) engine companies and an aid car. In addition, the department funds a Training Division, a Fire Prevention Division, Fleet and Facilities Maintenance Divisions, a Communications Center, and a Public Education Division. All of these divisions and response personnel are dedicated to the department's Mission Statement:

We Help People by Providing Professional Fire Department Services.

This statement is the guiding principle that steers the direction the department heads, including decisions related to financial matters.

The department currently operates with an allowable staffing minimum of two (2) firefighters on an engine company in half of its stations. In other words, three of the engine companies out of six respond with only two firefighters on board. This has been an unacceptable practice in the eyes of the Firefighter's Union for many years. National Standards, such as developed by the National Fire Protection Administration (N.F.P.A.), recommends a minimum firefighting crew strength of four on responding apparatus. The practice of having two (2) firefighters on board responding apparatus has also been unacceptable to the Administration of the department, but with a limited funding source there is very little they could do about it.

Many options have been considered over the years with regards to increasing the staffing on the department's engine companies. The possibility of closing stations and apparatus has been analyzed, with the intent of using the available personnel to increase the staffing level across the

entire department. This was dismissed as it would dramatically increase response times and reduce the level of service provided to the citizens for whom we serve.

The leaders in the department also analyzed the possibility of working to become a municipal department. Municipal departments typically operate with larger budgets than Fire Districts, as cities have the advantage of accessing taxes that Districts can not. In Federal Way, the city has actually annexed into the Fire District for fire protection by a vote of the people. This occurred back in 1990, when Federal Way actually became an incorporated city. The city has shown no desire to take over the fire department to date. This is not to say that it could not happen sometime in the future. For now, however, the Federal Way Fire Department is destined to remain a fire district.

The Federal Way Fire Department is known as a junior taxing district in the State of Washington. Junior Taxing Districts have the authority to levy property taxes subject to the laws established by the State. In the case of Fire Districts, the law allows Junior Taxing Districts to collect up to \$1.50 per \$1,000 of assessed property valuation for all properties located within the boundaries of the District. This amount can be reduced by the 106% Lid Law, which only allows Fire Districts to collect 106% of the regular property taxes lawfully levied from the previous year plus a levied amount for new construction which has occurred in the District. Therefore, the District can only increase its annual budget by a maximum of 6% over the previous year's budget when assessed values of property go up in excess of 6%. This has not been the case in Federal Way for a number of years, and therefore the District has seen budget increases that have ranged from 1% to 3% over the last few years. This amount allows the

department to keep up with inflationary increases, but does not allow for any new firefighters to be hired.

Washington State Law does allow Fire Districts to ask their electorate to lift the 106% lid. In these cases, the District is allowed to exceed the 106% limitation on their taxing authority, provided they do not exceed the statutory \$1.50 per \$1,000 of assessed valuation of property. This benefits Fire Districts when assessed valuation has increased dramatically in a given area, and allows the District to increase its budget beyond the 106% limitation from the prior year. The lifting of the 106% lid must go before the voters at a general election, or at a special election paid for by the District, with a majority of the voters agreeing to lift the lid.

The Federal Way Fire Department has gone before the voters five times since 1980 in an effort to lift the 106% lid. The rationale for this was due to the increase in assessed valuation seen in the early 1980's and also in the early 1990's. It was felt that if the lid could be passed, additional firefighters could then be hired to increase staffing minimums. The goal, obviously, was to eventually get all engine companies up to a minimum staffing level of three firefighters. Unfortunately, the voters turned down three out of the five lid lifts. The levies that did pass, back in 1980 and 1985, allowed the District to hire in excess of thirty (30) firefighters over several years to help with staffing. The subsequent failures in 1983, and twice in 1990, sent a message to the entire Department that the voters are not always going to be willing to increase their taxes to put additional firefighters out on the street.

The National Fire Academy course titled "Financial Management" taught students methods of developing and delivering organizational budgets. It also analyzed funding methodologies. That is exactly where the Federal Way Fire Department is today. The department is in a

position of analyzing where it sits with relation to other departments of like size in regards to available funding. It is also closely examining alternative methodologies of increasing its annual budget so that the goal of having three firefighters on every engine company can finally be realized.

LITERATURE REVIEW

Numerous books, periodicals, manuals, and Internet documents were reviewed as the evaluation of alternative funding sources for the Federal Way Fire Department was undertaken. The issues of alternative funding sources that would be acceptable to the community, as well as to the department's Administration, were at the forefront of this author's mind as the task began.

Current District Funding

The first thing that needs to be examined is exactly what a fire district is. In an article entitled *Fire House News* in the University Place Journal (September 10, 1998, pg. 7), Dave Crossen writes that "fire districts are authorized by state statute to allow communities to establish special districts for the purpose of providing fire and life safety functions". The author goes on to explain that the "policy making body of the fire district is a board of fire commissioners that is elected for six-year terms of office" (pg. 7). The number of commissioners is determined by the electorate, and can be either three or five in number with staggered terms.

Fire districts typically are funded through property taxes. In *The Fire Chief's Handbook*, Michael Wren (1986) writes that the tax is "on real property (land or anything fixed to it)"(pg.

96). He also states that is “based on a percentage (or millage) of actual or assessed valuation” (pg. 96). As the Federal Way Fire Department has experienced, Wren states the property tax “elasticity may be either high or low depending on local conditions” (pg. 96). In addition, the author recognizes a current problem whereby “taxpayer revolts have led to the passage of legislation to constrain tax rates” (pg. 96).

The Federal Way Fire Department’s *Long Range Plan* (1990) identifies the current funding sources for the district. The plan, developed by committee from within the department, states that “operations are funded by regular real an personal property tax revenues, fire protection contracts, dispatch service contracts, basic life support funds paid by King County Emergency Medical Services and miscellaneous income” (pg. 37). The plan also identifies that the majority of the funding, nearly 87% in 1998 based upon projected revenues in the budget, comes from property taxes (see Appendix D).

The *Long Range Plan* states that the district “provides fire protection to properties of public agencies included within the District under contractual agreements per RCW 52.30.020” (pg. 39). It goes on to state that “these properties include the Federal Way Sewer District, Washington State Parks, and Washington State Highways” (pg. 39). Examining the current 1998 budget reveals that less than 1% of the budget comes from these sources of funding (see Appendix D).

The fire district also receives funding from the Federal Way School District. The *Long Range Plan* identifies that the “School District shall receive fire protection services from the Fire Protection District without the necessity of executing a contract for such fire protection services” (pg. 39). The plan also states that “the Washington State Insurance Commissioner has

established uniform rates governing payments to the Fire District by the School District for such services” (pg. 39). In the 1998 projected Federal Way Fire Department budget, this amount makes up less than 1% of the operating budget (see Appendix E).

The Federal Way Fire Department also has a regional dispatch center that provides service to a number of other fire and police agencies under contract. The *Long Range Plan* states that the center “not only provides services to Federal Way, but also receives additional funds by contracting dispatch services” (pg. 39). These funds, as identified in the 1998 budget projections, make up nearly 5% of the operating budget (see Appendix D).

The *Long Range Plan* also states that the fire district receives “basic life support funds to be used to supplement District income” (pg. 39). These funds are provided to the department through a levy controlled by King County Emergency Medical Services. This levy funds paramedic services throughout King County at the rate of “25 cents per \$1,000 of assessed valuation on all taxable property located in the King County EMS service area” (pg. 39). This levy has just been increased by the electorate to 29 cents per \$1,000 for a three year period ending in 2001. In addition, there are also funds raised by the levy to be allocated to “local fire districts in both rural and paramedic service areas” (pg. 39). The funds are distributed based upon a formula that “takes into account each district’s reported EMS responses, property tax assessments, and population” (pg. 39). The 1998 fire department budget receives nearly \$598,525 from these dispersed funds, which make up 6% of the total budget (see Appendix D).

Additional funding is identified in the *Long Range Plan* through Permit Fees collected by both the fire district and the city of Federal Way. The plan also identifies additional funding

sources including the “interest on various District investments, the sale of miscellaneous equipment and/or property”(pg. 39), as well as other fees for service such as providing limited vehicle maintenance to other agencies. These funds, identified in Appendix D, make up the balance of the budget.

This examination leads to the question of where the funding is spent by the fire department. With the goal being three firefighters on each responding company, the *Long Range Plan* then identifies where the funds are allocated. The plan (pg. 41) breaks down the expenditures for the department as follows:

| | |
|------------------------------|---------------|
| Personnel | 86.88% |
| Supplies and Services | 11.98% |
| Capital Purchases | 1.14% |

Keeping in mind that the plan was developed in 1990, the current budget for 1998 is then examined to reveal the following break down of expenditures (see Appendix E):

| | |
|--|------------|
| Personnel (salaries and benefits) | 82% |
| Supplies and Services | 10% |
| Capital Purchases | 8% |

Capital has gone up dramatically as the Board of Fire Commissioners at the Federal Way Fire Department have committed to fully fund replacement of all capital items totaling \$10,000 or more from the General Fund. This commitment was made to the public in 1993. Personnel costs have remained in excess of 80% of the overall budget (see Appendix E).

The next section in the examination of literature reveals that the Federal Way Fire Department is not alone in evaluating the need for alternative funding sources.

Need for Alternative Funding Sources

John Dean (1995) examines that many fire departments today have to operate on more than just taxes. He states that “the fire service finds itself in increasingly difficult competition with other public sector departments for its share of limited tax dollars” (pg. 4). He further states that “the idea of seeking alternative funding sources needs to be explored by almost every department” (pg. 13).

Robert Lee (1992) states that his research “verifies the concern of today’s fire service manager that revenue is not keeping pace with service demand” (pg. 9). He further states that alternative funding sources were examined in Los Angeles County Fire Department when reductions in the budget from 1987 to 1991 had caused reductions in staff and “raised serious concerns as to the ability of the fire department to provide adequate fire protection” (pg. 4). He goes on to state that “further reductions would surely increase concerns for the risk of loss of life and property” (pg. 4) in Los Angeles County as a result of budget cuts.

Michael Craley (1989) examines the need to recover the costs of providing fire protection as a means of alternative funding. He states that “municipal and fire service managers have increasingly become confronted with the dilemma of escalating costs for the resources necessary to deliver effective and efficient firefighting capabilities” (pg. 7). He also examines the fact that fire service managers are also “seeing the revenues available staying at the same level or actually declining” (pg. 7).

Craley (1989) goes on to point out that revenues staying the same or declining “has resulted in some departments closing stations and reducing personnel, while others consolidate engine and truck companies into a single quint” (pg. 7).

Should a fire department actually charge for responding to emergencies? That would definitely be an alternative means of funding a fire district in the State of Washington. This question is examined by Peter Tritz (1989) who writes that “as cities’ traditional sources of revenue have become more restricted, many cities have been looking into other sources of funds to pay for city services” (pg. 8). Tritz goes on to state that “one possibility receiving discussion recently is to charge a fee for fire service” (pg. 8).

Chief Randy Bruegman (1998) identifies another problem that fire service leaders must face as alternative methods of funding are examined. He writes that “as disenchanting citizens use initiatives and referenda to take legislative matters into their own hands, chief officers should keep their eyes and ears open to determine how rumblings on the state level could affect their departments” (pg. 26). He goes on to examine that a tax rollback initiative called Measure 47 “rolled back property tax levies to the 1994-1995 level, less 10%” (pg. 26). Bruegman goes on to state that final implementation of the bill, approved in November of 1997, should “reduce taxation by about 17% for most Oregon constituents and their respective taxing districts” (pg. 26).

The Federal Way Fire Department would be hard pressed to manage the loss of 17% of their property tax base should a tax rollback occur as in Oregon. Unfortunately, Chief Bruegman also writes that “tax initiatives aren’t limited to Oregon” (pg. 26). California had Proposition 13, and the state of Washington has already seen several initiatives put forth to

attempt to reduce or cap property taxes. Bruegman expounds in his article that “to be a fire chief faced with these cutbacks hasn’t been easy” (pg. 28). He goes on to state that “for many departments, it’s resulted in employee layoffs, station closings and company reductions” (pg. 28).

Kenneth Cramer perhaps sums it up best when he writes “today’s fire service managers are constantly being told to do more with less and to find alternate funding sources” (pg. 11). He goes on to state that “these alternate funding sources can come from many diverse and unexpected areas” (pg. 11).

With the limitations already built in to ad valorem property taxation, tax revolts on the horizon, and fire service leaders being asked to do more with less, the next section of the literature review examines the examples of alternative funding sources which may be available.

Examples of Alternative Funding Sources

Several examples of possible alternative funding sources were revealed in the review of literature by this author. In addition, the *Revised Code of Washington* (R.C.W.’s) were examined to reveal the allowable methods under Washington State Law for Fire Districts.

Chief Robert Nielsen (1990) examines the possible use of user fees to fund a portion of the fire department budget. He writes that “business or property owners with no fire protection should pay appropriate fees” (pg. 82). He supports a fee system whereby a user fee would be initiated to pay for maintaining water mains and other services, such as helping defray fire department costs. He further states that the “fee schedule could be structured so that a sprinklered building would pay no fee” (pg. 82).

Robert Lee (1992) states that in a report developed by the Los Angeles County Fire Department in 1991 due to budget shortfalls, it recommended “the benefit assessment as the most feasible and cost-effective fire suppression option” (pg. 4) to maintain or increase funding. The State of Washington allows a benefit charge, which will be examined later in this section.

Michael Craley (1989) writes that “some states have legislation which allows recovery for expenses associated with fighting forest fires from anyone who negligently or intentionally starts one” (pg. 7). He goes on to suggest cost recovery for firefighting where “the fire was the result of criminal intent, willful negligence, or failure to comply with any law or ordinance” (pg. 7).

Peter Sparber (1986) examines an alternative method of funding through donations. He identifies the concern that “fire service personnel have little fund-raising experience and are unwilling to enter the battle to obtain charitable dollars” (pg. 49). He goes on to support the concept of raising funds through donations to fund a program or piece of equipment, and establishes a list of items to take into consideration when requesting charitable donations (pg. 49):

- 1) Make the request personally
- 2) Know what you want and be specific.
- 3) Know how you will use it and lay out your plan.
- 4) Know who will benefit.
- 5) Know how you will report your results.
- 6) Recognize that the sponsor may want recognition in return.
- 7) Keep it businesslike.
- 8) Pick your prospects carefully.

- 9) Remember that dollars are just one form of private support.
- 10) Use every opportunity presented.
- 11) Don't get discouraged.

Sparber goes on to declare that “if you can persuade an eight year old not to play with matches, you can persuade the private sector to help you help others” (pg. 52).

James Morentz (1989) suggests that raising funds through government-private sector partnering “is not only possible, but necessary to the future of effective, professional emergency management” (pg. 13). He also states that “the value of the media and other forms of public relations must not be underestimated in securing funding for emergency management” (pg. 13). Although the author directed his work towards an analysis of emergency management funding, the same principles could be applied towards fire service funding.

John Dean (1995) identifies some alternative funding “success stories from various cities” (p. 8-10) that he uncovers during his research on the issue. Some of the success stories he relates include (p. 9-10):

Chapel Hill, N.C.: “\$296,000 received annually from state for protection of University of North Carolina.”

Overland Park, KS: “Building a Training Center in cooperation with Sprint Telecommunications on a 10 year lease arrangement.”

Seattle, WA: “Collects approximately one million in permit and plan review fees annually.”

Aurora, CO: “Grants from state health department at \$30,000. Grants and donations from private sector for fire safety education at \$20,000. Cooperative training facility.

Cost recovery from private ambulance contractor at \$60,000. Hazmat cost recovery based on incident costs.”

Oklahoma City, OK: “Oklahoma City has one-half of three-fourths cent sales tax earmarked for the fire department.”

Palm Beach, FL: “Donations for personnel training and equipment promoted via civic groups. Average donations are \$30,000 per year. Have received in excess of \$150,000 some years.”

L.A. City, CA: “California firefighters joint apprenticeship program reimbursement for on-duty training hours through state educational system”.

In *The Fire Chiefs Handbook*, Michael Wren (1986) identifies many funding options (p. 96-101) which are available to certain fire departments depending upon the laws enacted by each individual state. He identifies the following funding sources for cities and/or districts to help fund their fire departments:

1) Property Tax

Annual tax on real property based upon a percentage of actual or assessed valuation.

2) Personal Property

Annual taxes on boats, cars, airplanes, major appliances, furniture, jewelry, etc.

3) Sales Tax

Imposed by many states and cities based on the percentage of goods purchased.

4) Income Tax

Imposed by the majority of states and some cities on income earned in the jurisdiction.

5) Franchise Tax

This type of tax includes right-to-operate fees, taxes for using city facilities, right-of-way taxes, and alleys usage taxes. Examples include cable television company fees, telephone company pole fees, and utility taxes.

6) Consumption Tax

So-called “sin taxes” include liquor, tobacco, and hotel and motel occupancy taxes.

7) Insurance Tax

An insurance tax is based on the dollar amount of premiums paid to insurance companies.

8) Fire Tax

A tax imposed by a fire protection district for services provided. This generally has built in incentives for fire protection built in to structures (such as sprinklers).

9) Use Tax

Taxes on auto license plates, and those for vehicle inspection stickers.

10) License/Permit Fees

Issuing licenses for dogs, and services like plumbers, electricians, exterminators, taxis, etc., generate license fees. Issuing permits for guns, buildings, hazardous materials use or storage, signs, massage parlors, liquor licenses, etc., generates permit fees.

11) Fees for Service

Often called “cost recovery” fees, these are intended to offset some or all of the costs of delivering a service.

12) Subscription Fees

Subscription fees or dues for annual service have been used by some volunteer organizations for many years. Property owners pay annually for the right to use the services in case of an emergency.

12) Fines and Penalties

Not a major source of income, fines and penalties are assessed for traffic, health, building, fire, life safety, false alarm, etc., violations of the law.

13) Contributions

The lifeblood of most volunteer organizations, contributions are a minor source of income for most paid departments.

14) Intergovernmental Revenue

Often called “revenue sharing”, this was one way to redistribute federal tax dollars to communities based on need.

15) Grants

Available from the federal government, some states, and private foundations.

16) Debt

There are several forms of indebtedness into which jurisdictions may enter:

Short Term Operating Loans from financial institutions are usually available against expected income from other sources.

Bonds are a very common source of revenue for capital improvements and major equipment purchases.

Lease-Purchase Agreements are a method of acquiring assets without affecting the debt structure or bond rating.

17) Investment Income

Government jurisdictions, like any other legal entity, are able to earn money from investments.

18) Rental Income

Usually not a major source of income, jurisdictions often rent out city owned facilities.

19) Marketing Income

Revenues from marketing are not a major source of income, but occasionally jurisdictions find themselves in an enterprise involving the sale of products or services that private enterprise isn't providing adequately.

Each of the aforementioned mechanisms for funding must be compared against that which is statutorily allowed in each jurisdiction. The State of Washington has identified in the R.C.W.'s those funding mechanisms which are allowable for cities and fire districts. Under Title 52.16 R.C.W., fire protection districts are allowed to generate revenues in the following manners:

R.C.W. 52.16.080 Bonds may be issued for capital purchases

This authorizes districts to incur general indebtedness for capital purchases and to issue general obligation bonds not to exceed an amount equal to three-fourths of one percent of the taxable property within such district.

R.C.W. 52.16.103 General levy authorized.

This authorizes the fire district to levy up to fifty cents per thousand dollars of assessed valuation an ad valorem tax on all taxable property located in the district. (Author's note: this is known as the 1st fifty cents of the \$1.50 per thousand tax assessment).

R.C.W. 52.16.140 General levy may exceed limit—When.

This authorizes the fire district to levy an additional fifty cents per thousand dollars of assessed valuation when dollar rates of other taxing units are released by agreement with the other units from their authorized levies. (Author's note: this is known as the 2nd fifty cents of the \$1.50 per thousand tax assessment).

R.C.W. 52.16.160 Tax levy by district where no township has been formed or where township disorganized and no longer making a levy.

This authorizes the fire district to levy up to an additional fifty cents per thousand dollars of assessed valuation provided that a township has never been formed, or has been disorganized, and is not collecting the fifty cents available under statute. (Author's note: this is known as the 3rd fifty cents of the \$1.50 per thousand tax assessment).

R.C.W. 52.16.150 Donations and bequests to district.

This allows a fire district to accept and receive in behalf of the district any money or property donated to the district.

R.C.W. 52.18.010 Benefit charges authorized—Exceptions—Amounts—Limitations

This allows fire districts to impose a benefit charge on personal property located within the fire protection district. The charge imposed shall be reasonably proportioned to the

measurable benefits to property resulting from the services afforded by the district. The aggregate amount of the benefit charge in any one year shall not exceed an amount equal to sixty percent of the operating budget for the year in which the benefit charge is to be collected.

R.C.W. 52.18.050 Voter approval of benefit charges required—Election—Ballot.

This states that fire districts must place the issue of instituting a benefit charge before the voters within the fire district. The benefit charge must be approved by a sixty percent majority the voters of the district voting at a general election or at a special election called by the district for that purpose. The benefit charge approved at an election shall not remain in effect for a period of more than six years.

R.C.W. 52.18.065 Property tax limited if benefit charge imposed.

A fire protection district that imposes a benefit charge shall not impose all or part of the property tax authorized under R.C.W. 52.16.160. (Author's note: this means that the 3rd fifty cents of property tax levy would not be allowed in this situation. Up to one dollar per thousand of assessed valuation could still be collected with the benefit charge in place).

R.C.W 52.20.010 L.I.D.'s authorized—Petition or resolution method.

This allows fire districts to levy a special assessment under a mode of annual payments for a period not to exceed twenty years on all property benefiting from the acquisition, maintenance, and operation of real property, buildings, apparatus, and instrumentalities needed to provide fire protection or emergency medical services. Local improvement districts (L.I.D.'s) may be initiated either by the board of fire commissioners, or by petition signed by the owners of a majority of the acreage of lands to be included within the local improvement district.

R.C.W 84.52.043 Limitations upon regular property tax levies

This explains that “senior taxing districts” are the state itself, counties, road districts, cities, towns, port districts and public utility districts. Senior taxing districts are allowed to tax as follows: the levy by the state shall not exceed three dollars and sixty cents per thousand of assessed valuation; the levy by any county shall not exceed one dollar and eighty cents per thousand of assessed valuation; the levy by any road district shall not exceed two dollars and twenty five cents per thousand of assessed valuation; the levy by any city or town shall not exceed three dollars and thirty-seven and one-half cents per thousand of assessed valuation. “Junior taxing districts” are allowed to tax up to an aggregate maximum of five dollars and ninety cents per thousand of assessed valuation. Junior taxing districts include all taxing districts which are not senior taxing districts (e.g. fire districts, hospital districts, library districts, park districts, etc.).

R.C.W. 84.52.069 Six-year regular tax levies for emergency medical care and services.

This allows a taxing district to impose an additional regular property tax in an amount equal to fifty cents or less per thousand dollars of assessed valuation in the taxing district in each year for six consecutive years when specifically authorized to do so by a majority of at least 60% of the registered voters and a validation of at least 40% voter turnout in such taxing district at the last preceding general election.

The Federal Way Fire Department *Long Range Plan* (1990) identifies that “the EMS levy is currently under the responsibility of King County EMS” (pg. 364). The levy is currently a three-year levy which expires at the end of 2001, with the funds going to support King County

Medic One paramedics as well as a “distribution of funds to the appropriate fire districts” (pg. 364). (Author’s note: the current EMS levy has been established at twenty-nine cents per thousand dollars of assessed valuation, and expires at the end of 2001).

R.C.W. 84.52.052 Excess levies authorized—When—Procedure.

This allows a fire district to levy an additional amount of taxes in which a larger levy is necessary to prevent the impairment of the obligation of contracts.

The Federal Way Fire Department *Long Range Plan* (1990) has a much easier to understand explanation of the excess levy than that found in the R.C.W.’s. The plan states that “this type of levy can only be a one year assessment and must be for a specific dollar figure, but its revenue may be spent over several years” (pg. 365). The plan goes on to clarify that “an excess levy must be approved by at least 60% of the voters, with a validation dependent upon a voter response equaling at least 40% of the voter total in the previous general election” (pg. 365).

R.C.W. 84.55.010 Limitations prescribed.

This limits the taxation in any one year so that the property taxes payable shall not exceed one hundred six percent of the amount of regular property taxes levied for such district in the highest of the three most recent years, plus an additional dollar amount calculated by multiplying the increase in assessed value in that district resulting from new construction.

(Author’s note: this is known as the 106% Lid Law for fire district taxation).

R.C.W. 84.55.050 Election to authorize increase in regular property tax levy—Limited propositions—Procedure.

This allows taxing districts to levy an amount exceeding the limitations provided earlier by the 106% lid subject to approval by a majority of the voters of the taxing district voting on the proposal.

The Federal Way Fire Department *Long Range Plan* adds that “lifting of the 106% lid only requires a simple majority of the voters to approve with no special requirement of voter response or validation” (pg. 364). The plan goes on to state that “because of its limited duration, it does not provide a stable, long term source of revenue and further inhibits long range planning by the district” (pg. 364).

PROCEDURES

A review of available literature was the first step in the process of evaluating alternative funding methodologies for the Federal Way Fire Department. Books, manuals, and other publications were reviewed from the training library at the Federal Way Fire Department, as well as from the Learning Resource Center at the National Fire Academy in Emmitsburg, Maryland. Literature was examined from public libraries located in King County (WA) and Pierce County (WA). The Internet was utilized via the Web Crawler and Yahoo search engines to access articles, and individual thoughts, with regards to alternative funding in the fire service.

The review of available literature was extremely useful. It established that the Federal Way Fire Department was not the only department concerned with budgetary problems. The review also pointed out that many departments are facing budget reductions and are actively examining alternative funding methodologies.

The books and publications were extremely relevant and insightful; however, the Internet information was less than this author had hoped for. It provided little information relevant to the question of alternative funding for fire districts. It did, however, provide some information regarding the budget levels that other fire departments operate within.

Following the review of available literature and state laws, a written survey was sent out to all fire districts located within King County (WA), Snohomish County (WA) and Pierce County (WA). The survey was used to determine the type of funding sources utilized by the fire districts to provide fire and emergency services to their given communities. The survey also was used to determine if the department had already reached the goal of three firefighters on every responding engine company, which Federal Way had set as their primary goal for their near term future.

The three counties chosen for the survey border one another on the West Coast of the state of Washington. They were selected for the survey instrument because of their proximity to one another, and provided a potential baseline of thirty-two (32) departments to provide a response. In addition, all of these departments operate under the same set of laws within the state of Washington. Survey instruments sent to departments outside the state, or even to the eastern side of the state of Washington, would not have provided the same useful input. Fire districts on the eastern side of the state of Washington were not chosen, as they are typically very rural, providing fire protection to farmlands and open acreage with small fire departments and low budgetary requirements.

The results of the survey were tabulated and maintained for comparison purposes (Appendix C). While not all of the departments responded, a number of them did which allowed for a

general sampling of fire districts within the Puget Sound (WA) region on the west coast of the state.

The next step in the procedure was to present the information gathered from the literature review and survey instrument to the Federal Way Fire Department Administrative team, including the Board of Fire Commissioners. The information gathered would then provide a useful tool in the development of the Federal Way Fire Department's Strategic Plan. This plan would take the department into the year 2000 and beyond with budgetary projections and recommendations for alternative funding courses of action.

The limitations of the procedures utilized for this research included the fact that while there are a number of alternative funding options available for fire districts in the state of Washington, many of them are still untried and without a long track record. Several fire departments have moved into the arena of accessing alternative funding, but the majority of the fire districts in the state have attempted to work within the confines of available property tax assessments.

An additional limitation of the procedures utilized for this research included the fact that a sampling of the Federal Way community was not used. It would make sense that if the Federal Way Fire Department were to place an alternative method of funding before the electorate, a marketing survey of some sort should be utilized to get a statistical determination on the level of support that exists in the community. This author purposely chose not to use any survey instrument within the community for a clear reason. That reason was that any instrument sent out into the conservative community of Federal Way would have immediately have raised questions with the local newspapers and community leaders. Until a complete Strategic Plan was adopted by the Administration and Board of Commissioners of the department identifying funding

options, this author had no intent of creating any type of uproar that could hamper any chance for future success.

RESULTS

The answers to the research questions were obtained through a review of available literature, state laws, and the survey instrument. Thirty-two (32) surveys were sent out to area fire departments. Sixteen (16) of the instruments were returned and utilized for this research. All of the data was analyzed prior to making any recommendations for the future.

The first question that was asked was, “What traditional funding sources are available to a fire district in the State of Washington?” The answers were found both in the review of literature, state laws, and the survey instrument. The funding sources identified were as follows:

- 1) Property tax on real property up to \$1.50 per \$1,000 of assessed value. The survey instrument showed an average property tax levy amount of \$1.30 per \$1,000 of assessed valuation currently exists.
- 2) License/Permit fees for public assembly, plan reviews, and other traditional fees.
- 3) Bonds issued for the purchase of capital equipment. The survey instrument shows that nine (9) of the sixteen (16) departments that responded have utilized a bond issue for capital equipment within the last five years.
- 4) Grants available from the state or federal government for specific programs or equipment.
- 5) Hazardous materials response cost recovery as allowed by federal and state law.

- 6) Contracts for service provided by one fire department to another, such as for dispatching services or fleet maintenance.
- 7) Contributions to the fire department from private citizens, such as for the purchase of medical equipment following the death of a loved one.
- 8) Investment income earned by the department for its judicious investment of funds prior to expenditure in a given year.

The second question that was asked was, “What traditional funding sources are available to a municipal fire department, as a means of comparison, in the State of Washington?” The research found that, in addition to the funding options available to a fire district, a municipal fire department can also access additional funds through their city that a fire district has no access to. While the municipal fire department can not go out and access these funds on their own, their city can obtain additional funding through these sources:

- 1) Personal property taxes on boats, cars, etc.
- 2) Sales taxes based on the percentage of goods purchased.
- 3) Income taxes are imposed by some cities.
- 4) Franchise taxes for using city facilities, right-to-operate fees, etc.
- 5) Consumption taxes, also known as “sin taxes”, on liquor and cigarettes.
- 6) Intergovernmental revenue sharing.

The research provided keen insight into the fact that municipal fire departments have the ability, through their city, to gain access to funds that fire districts are prohibited from under state law. The Federal Way Fire Department *Long Range Plan* (1990) identifies the fact that

municipal fire departments in the State of Washington typically operate with a much higher budget than most fire districts. The plan compares fire district funding at a maximum of \$1.50 per \$1,000 of assessed valuation to typical city fire departments, which are often funded in amount exceeding \$2.00 per \$1,000 of assessed valuation.

The third, and final question, was, “What alternative funding sources are available to a fire district in the State of Washington?” The answers were clearly outlined in the available literature and the survey instrument. The following alternative sources for funding are allowed under the law, and are actually in use in some fire districts in the state:

- 1) Six year levy for emergency medical care and services. This levy is utilized in an amount up to fifty cents per thousand of assessed valuation to access the necessary funds to provide emergency medical services. The survey instrument identified the fact that fourteen (14) of the sixteen (16) departments that replied have an emergency medical services levy in place.
- 2) One year excess levy. This allows a fire district to access additional funds for the operation of the fire department. The levy is assessed in one year, and typically utilized over a two-year period. Of the sixteen (16) departments responding to the survey instrument, only two (2) currently utilize the excess levy. One of those departments utilizes the excess levy to fund 20% of the annual budget, while the other only funds 6% of their budget from the use of the levy.
- 3) Service benefit charge. This allows a fire district to impose a benefit charge on personal property within the district for the protection provided. It can be utilized to fund up to a maximum of 60% of the fire department budget, with the remaining funds coming from property taxes. Of the sixteen (16) departments responding to the survey, four (4) of the

departments currently utilize the service benefit charge. Not any of the four who have the service benefit charge also utilizes an excess levy. The average percentage of fire department budget funded by the service benefit charge was identified to be 31.75%.

4) Local Improvement Districts (L.I.D.'s). The formation of a local improvement district can be utilized to access funds for a set period of time to fund a major improvement in the fire district. The typical use of an L.I.D. would be to build a new fire station in an area which was not served by one in such close proximity before.

5) Lifting of the 106% Lid Law. This allows fire districts to exceed the statutory limitation of increasing their budget by an amount not to exceed 106% from the previous year. This would be very helpful in situations where assessed valuations have sharply risen.

6) Bond issues. Although also identified as a traditional source of funding, bonds could be utilized in non-traditional ways to fund equipment purchases and free up general budgetary funds for other purposes. Nine (9) of the departments responding to the survey instrument identified that they had utilized a bond issue to fund capital items within the last five years.

All of the alternative funding sources which were identified had one thing in common: they had to be voted upon and approved by the community served by the fire district. This would be an issue that would need to be fleshed out in the development of the Federal Way Fire Department's Strategic Plan.

DISCUSSION

Throughout this research process, from the literature review to the survey instrument, the importance of accessing alternative funding to be able to be able to hire additional personnel and staff all responding engine companies with three firefighters remained the primary focus. With this goal in mind, and the knowledge that the current fire department budget would not support the hiring of additional staff, there is little doubt that the exploration of alternative funding sources for the Federal Way Fire Department would be a necessity for future success.

The Federal Way Fire Department has operated far too long with low staffing levels on many of the responding apparatus. As stated earlier, both the Administration and the Firefighter's Union want to see a change. Both also agree that the only way this change can be reached would be for the department to gain access to additional funding in one or more methods.

The literature and survey instruments pointed out that many other fire districts have also reached this same conclusion. Some departments have actually closed stations to increase staffing, which is an idea that has been absolutely disregarded by the Federal Way Fire Department Board of Fire Commissioners. Other fire departments have accessed alternative funding sources such as excess levies and service benefit charges to meet their funding, and staffing, needs. It has become apparent that the Federal Way Fire Department must consider these alternative sources as a means of finally meeting its budgetary needs, and its staffing goal.

Alternative funding methodologies in the State of Washington require the community to vote on any increase or change in the funding of a fire district. Whichever alternative funding method may be chosen will require an overwhelming amount of support from all employees in the fire

department to get the issue to come out successful. This includes passing out informational leaflets, going door-to-door to explain the issues, and working extremely hard for the future needs of the department. This would be no easy task, but it certainly would be worthwhile.

This author has been convinced, after reviewing significant amounts of literature and the survey instrument related to alternative funding methodologies, that the planning and implementation processes necessary to go after alternative funding sources for the Federal Way Fire Department should be initiated as soon as possible. The citizens of Federal Way deserve the highest level of service possible. The firefighters within the Federal Way Fire Department deserve to operate with a safe and efficient crew. This being the case, there would be no doubt that alternative funding methods would need to be explored in order to increase the staffing levels within the department.

RECOMMENDATIONS

This author has been involved in many discussions over the past twenty years on the need for additional staffing within the Federal Way Fire Department. Having operated as a member of both two firefighter and three firefighter crews in the past, personal experience clearly demonstrates that the efficiency of a three-person crew is much higher than encountered with a two. Indeed, the level of safety also increases as there are more fighters to complete emergency tasks while maintaining a watchful eye on one another. It is therefore the recommendation of this author that an organized methodology be adopted for the change process required to initiate an alternative funding methodology for the Federal Way Fire Department. The methodology should include an analysis of the problem, establishment of a plan to implement the process, a chosen implementation program, and ongoing evaluation of success and failures.

Analysis

In this phase of the process, the department should analyze the budgetary needs required to increase the staffing levels to a minimum of three on every responding engine company. The next step would then be to analyze all alternative funding options to determine which would best serve the needs of the department and the community served. The options to consider include the following:

- 1) Excess levy for one year. This could be utilized to excess funds in one year that could be collected for a two-year period. This is already in use in Pierce County Fire District #2. The levy is voted on every other year, with the collection of funds being utilized to staff additional firefighters on responding apparatus. The excess

levy is a new tax, and would require a lot of hard work in order to convince the voters in the community to support it. The major downside with an excess levy is the fact that it would have to be voted on every other year, which would place a number of jobs on the line every second year.

- 2) Service Benefit Charge. This could be utilized to increase the fire department budget to a level where all engine companies would be staffed with three firefighters on board. Additional funds collected could even be used to staff aid cars and increase the level of service to the community. The benefit charge is already in place in several fire districts, including Central Pierce Fire and Rescue. The benefit charge would require a successful vote every six years, and thus is less susceptible to the potential of failure every other year with the excess levy. It does come across as a new tax, however, and would require a great deal of work to be able to convince the voters to accept it.
- 3) Lifting of the 106% Lid Law. This should only be undertaken if the assessed value of all real property in the Federal Way area skyrockets in value. That has not been the case over the past eight years, but the potential is always there.
- 4) Bond issue. The department should consider the possibility of utilizing a bond issue to fund all replacement fire apparatus and equipment when it wears out. Currently, the department funds a capital equipment account to replace all apparatus and equipment with a value of over \$10,000. The department should analyze the impact if these funds were utilized to hire additional firefighters, instead of being placed into a capital account. A bond issue, which has been successfully passed in many of the

fire districts in all three counties surveyed, would be much easier to pass than any of the other aforementioned alternative funding methods. The reason for the ease of passage in most cases is that a bond issue has a definite termination date, and the results of a bond issue are tangible and seen by the community in the form of apparatus and equipment.

Planning

A Strategic Plan must be developed to initiate the change in funding in an organized, and well laid out, manner. This plan should be developed by the Administration of the department, with input from the community and the Firefighter's Union. The Board of Fire Commissioners, whom are the elected officials representing the public at large, will have the final say so on the plan prior to its adoption. The desired state of the department with regards to staffing and funding will have to be defined with a roadmap established for getting there in as timely a manner as possible. Specific goals and objectives related to obtaining alternative funding sources will have to be established in order for all department members to actively become involved in the process.

Implementation

The implementation of the alternative funding plan will require a common purpose and direction that has been established in the Strategic Plan. All members of the organization will have to provide support for any efforts to obtain alternative funding. The plan will need to be marketed, discussed with key leaders in the community, and

sold on the principle that the level of service and efficiency will be increased through the increase in funding for the fire department. All members of the department working towards this implementation plan will provide the greatest chance for the successful implementation of an alternative funding methodology.

Evaluation

The Strategic Plan, and any identified alternative funding source, will have to be evaluated on an ongoing basis. The change in the local economy will obviously require a close examination of the plan that has been put into place. If assessed valuations dramatically increase, for example, the implementation of a Lid Lift would make more sense than the attempted implementation of an Excess Levy. If any approaches need to be altered in the Strategic Plan, an ongoing evaluation will identify those specific changes that are required.

Summary

The Federal Way Fire Department is committed to provide a high level of service to the community. The department is also committed to having efficient firefighting crews, which operate in a very safe manner. The short term goal of the department is to reach the minimum nationally accepted standard for staffing. In order to reach this goal, alternative methods for funding the department must be considered. It is this author's sincere hope that the alternative methodologies for funding the department contained

within this report form the basis for a change. Hopefully, this will be a change for the better.

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APPENDIX A

Survey Cover Letter

November 25, 1998

Dear Chief:

I am currently working on a project both for my fire department, as well as for an applied research paper as part of the National Fire Academy "Executive Fire Officer" program. The project I am working on is "evaluating alternative funding sources for the Federal Way Fire Department".

Towards this end, I am asking for your assistance by completing the enclosed survey with regards to current and projected funding sources utilized by your fire department.

Please answer the enclosed survey and FAX it to me at **253-529-7206**. If you can also FAX any policy or policies you may have with regards to alternative funding sources for your department, it would be greatly appreciated.

Thank you for taking the time to assist me and my department on this project.

Sincerely,

Deputy Chief Al Church

Federal Way Fire Department

APPENDIX B

Alternative Funding Survey

- 1) **What is the levy amount per \$1000 of assessed value that your department collected for property taxes in 1998?**
- 2) **Do you currently utilize the “Service Benefit Charge”?**
- 3) **If you answered yes to Question #2, what percentage of your operating budget does the “Service Benefit Charge” fund?**
- 4) **Do you currently utilize an excess levy?**
- 5) **If you answered yes to Question #4, what percentage of your operating budget is funded by the excess levy?**
- 6) **Has your department utilized a bond issue within the past 5 years to fund capital equipment, apparatus, or stations?**
- 7) **What additional funding sources do you utilize to fund programs or your general operating budget?**

Thank you for your assistance with this research. Again, you can fax this back to me at: Deputy Chief Al Church #253-529-7206.

APPENDIX C

Survey Results

Total Surveys Mailed/Faxed: 32
Total Surveys Returned: 16
% Returned: 50%

- 1) **What is the levy amount per \$1000 of assessed value that your department collected for property taxes in 1998?**

\$0.83=1 department

\$1.00=3 departments

\$1.2213=1 department

\$1.325=1 department

\$1.39=1 department

\$1.41=1 department

\$1.49282=1 department

\$1.50=7 departments

Average=\$1.30 per \$1000

- 2) **Do you currently utilize the “Service Benefit Charge”?**

Yes: 4 Departments

No: 12 Departments

- 3) **If you answered yes to Question #2, what percentage of your operating budget does the “Service Benefit Charge” fund?**

33%=1 department

42%=1 department

22%=1 department

30%=1 department

Average=31.75%

- 4) **Do you currently utilize an excess levy?**

Yes: 2 Departments

No: 14 Departments

- 5) **If you answered yes to Question #4, what percentage of your operating budget is funded by the excess levy?**

6%=1 department

20%=1 department

Average=13%

- 6) **Has your department utilized a bond issue within the past 5 years to fund capital equipment, apparatus, or stations?**

Yes: 9 Departments

No: 7 Departments

- 7) **What additional funding sources do you utilize to fund programs or your general operating budget?**

The following responses were identified in the surveys:

- *\$0.50 or less Emergency Medical Services Levy
- *Emergency Medical Services Transport Fees
- *Contract for services (Maintenance, dispatching, fire response)
- *Fire Prevention Plan Reviews
- *Hazardous Materials Permit Fees
- *Cellular Tower Leases
- *Training of high school students (CPR or First Aid)
- *Metro "Park 'n Ride" contracts for service
- *Inspection Fees
- *Shared Mechanic via contract
- *Timber Tax
- *Tax Limited Bonds
- *UFC Permits
- *Student Assessments
- *Dispatching Contracts
- *Grants

APPENDIX D
1998 Projected Revenues for Federal Way Fire Department

PROJECTED REVENUES

A detailed breakout of the 1997 projected revenues is shown on the following pages. Property taxes are based upon final county projections for increases in current property values plus new construction. The fund balances for 1/1/98 and 12/31/98 are based upon budgeted expenses and revenues for 1997 and 1998.

| FEDERAL WAY FIRE DEPARTMENT | | | |
|------------------------------------|--------------------------------|-----------|------------------|
| 1998 REVENUES | | | |
| 311.00.00.000 | Property Taxes | \$ | 8,649,544 |
| | Delinquent Taxes | \$ | (129,743) |
| 338.40.00.002 | KCEMS Fuel | \$ | 275 |
| 342.20.00.001 | FW School District | \$ | 20,000 |
| 342.20.00.003 | WA State Parks | \$ | - |
| 342.20.00.004 | WA State Highways | \$ | 650 |
| 342.30.00.001 | FMO Permit Fees | \$ | 43,440 |
| 342.30.00.002 | C of FW Permit Fees | \$ | 37,168 |
| | TOTAL TAXES: | \$ | 8,621,334 |
| 342.80.00.001 | | | |
| 342.80.00.002 | | | |
| 342.80.00.003 | KCEMS Dispatch | \$ | 103,035 |
| 342.80.00.004 | Lakehaven Dispatch | \$ | 9,857 |
| 342.80.00.005 | | | |
| 342.80.00.006 | Security Alarms | \$ | - |
| 342.80.00.007 | KC 911 Dispatch | \$ | 27,577 |
| 342.80.00.008 | | | |
| 342.80.00.009 | North Highline Dispatch | \$ | 126,560 |
| 342.80.00.010 | SeaTac Dispatch | \$ | 95,676 |
| 342.80.00.011 | Normandy Park Dispatch | \$ | 98,171 |
| | TOTAL DISPATCH: | \$ | 460,876 |
| 342.90.00.000 | KCEMS Basic Life | \$ | 290,546 |
| 361.10.00.000 | Interest Earned | \$ | 165,000 |
| 361.10.00.001 | SeaTac Maintenance | \$ | 25,000 |
| 361.10.00.002 | AMR Amb/Site 3 | \$ | 260 |
| 361.10.00.003 | Seattle METRO/Site 3 | \$ | 1,334 |
| 361.10.00.004 | North Highline Maintenance | \$ | 25,000 |
| 361.10.00.005 | Edgewood Maintenance | \$ | 8,000 |
| 361.10.00.006 | Federal Way Police Maintenance | \$ | - |
| 361.10.00.007 | District 2 Maintenance | \$ | - |
| 361.10.00.008 | Sale of Surplus Equipment | \$ | - |
| 361.10.00.009 | Radio Site Leases | \$ | 12,000 |
| 361.90.00.000 | Misc. Revenue | \$ | - |
| | TOTAL MISCELLANEOUS: | \$ | 527,140 |
| | TOTAL REVENUES: | \$ | 9,609,350 |

APPENDIX E

1998 Budget Allocation for Federal Way Fire Department

The total operating budget expenses are as shown below:

| TOTAL DISTRICT DESCRIPTION | 1997 BUDGET | 1998 BUDGET | VARIANCE AMOUNT | PERCENT |
|-------------------------------|----------------|----------------|--------------------|----------|
| REGULAR HOURS | 309,096 | 307,022 | (2,074) | -0.67% |
| OVERTIME HOURS | 7,110 | 8,275 | 1,165 | 16.39% |
| TOTAL PAID HOURS | 316,206 | 315,297 | (909) | -0.29% |
| REGULAR SALARIES | 6,097,354 | 6,217,008 | 119,654 | 1.96% |
| OVERTIME SALARIES | 224,029 | 268,164 | 44,135 | 19.70% |
| RESIDENT SALARIES | 100,656 | 104,380 | 3,724 | 3.70% |
| VOLUNTEER SALARIES | 7,500 | 0 | (7,500) | -100.00% |
| PREMIUM PAY | 18,000 | 29,100 | 11,100 | 61.67% |
| TOTAL SALARIES | 6,512,111 | 6,682,420 | 170,309 | 2.62% |
| TOTAL EMPLOYEE BENEFITS | 1,305,032 | 1,322,328 | 17,296 | 1.33% |
| MISCELLANEOUS SUPPLIES | 172,896 | 180,156 | 7,260 | 4.20% |
| REPAIR PARTS | 48,644 | 54,132 | 5,488 | 11.28% |
| SMALL EQUIPMENT | 116,821 | 59,856 | (56,965) | -48.76% |
| TOTAL EQUIP. & SUPPLIES | 338,361 | 294,144 | (44,217) | -13.07% |
| OTHER SERVICES | 17,958 | 25,152 | 7,194 | 40.06% |
| PROFESSIONAL SERVICES | 125,385 | 144,120 | 18,735 | 14.94% |
| OUTSIDE TRAINING & TRAVEL | 95,562 | 95,640 | 78 | 0.08% |
| RENTALS | 400 | 600 | 200 | 50.00% |
| MAINTENANCE | 138,196 | 155,832 | 17,636 | 12.76% |
| MISCELLANEOUS SERVICES | 50,014 | 78,804 | 28,790 | 57.56% |
| TOTAL PURCHASED SVCS. | 427,515 | 500,148 | 72,633 | 16.99% |
| TOTAL CONTINGENCY | 93,000 | 97,441 | 4,441 | 4.78% |
| TOTAL LEGISLATIVE | 3,200 | 23,400 | 20,200 | 631.25% |
| TOTAL ADMINISTRATIVE | 15,636 | 15,984 | 348 | 2.23% |
| TOTAL MEMBER BENEFITS | 110,472 | 102,172 | (8,300) | -7.51% |
| TOTAL FUEL & LUBE | 26,229 | 30,163 | 3,934 | 15.00% |
| INSURANCE | 82,645 | 88,251 | 5,606 | 6.78% |
| TOTAL UTILITIES | 183,181 | 204,197 | 21,016 | 11.47% |
| TOTAL DISTRICT EXPENSES | 9,097,382 | 9,360,648 | 263,266 | 2.89% |